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REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND
FINANCIAL FUNCTIONING OF THE UNITED NATIONS

HUMAN RESOURCES MANAGEMENT: OTHER HUMAN RESOURCES QUESTIONS

Towards a new system of performance appraisal in
the United Nations Secretariat: requirements for
successful implementation

Note by the Secretary-General

Addendum

The Secretary-General has the honour to submit to the General Assembly his comments on the report of the Joint Inspection Unit entitled "Towards a new system of performance appraisal in the United Nations Secretariat: requirements for successful implementation" (JIU/REP/94/5 and A/49/219, annex).

ANNEX

I. Comments of the Secretary-General

1. The report of the Joint Inspection Unit (JIU) entitled "Towards a new system of performance appraisal in the United Nations Secretariat: requirements for successful implementation" was prepared by Inspector Khalil Issa Othman in response to a request from the United Nations Secretariat, concerns expressed by Member States at the General Assembly in late 1993 and as a part of the Unit's continuing work on issues of accountability and oversight in the Secretariat and in the United Nations system. It presents an insightful assessment of the difficulties of introducing an effective performance appraisal system in the Secretariat and it also provides specific recommendations for its successful implementation.

2. The Secretary-General welcomes this initiative and considers the report of JIU on the topic very timely and valuable. The report covers effectively the relevant historical background as well as the current state of the United Nations system as a whole in the area of performance evaluation.

II. Comments on the recommendations

Recommendation 1

3. The Secretary-General is in agreement with this recommendation. In fact, the establishment of an internal monitoring system is an integral component of the performance appraisal system. With regard to the linkage of the system to the new accountability and responsibility system (A/49/219, annex, para. 89), the report of the Secretary-General entitled "Establishment of a transparent and effective system of accountability and responsibility" (A/C.5/49/1), indicates the important relationship between a performance-oriented organizational culture and the performance appraisal system. The Secretary-General also agrees to report on the progress of the system to the General Assembly on a regular basis (A/49/219, annex, paras. 135 and 136).

Recommendation 2

4. (a) It is well understood that the implementation and development of any performance appraisal system must have a support structure consisting of, at the minimum, an organizational culture that is conducive to performance-based management, career development and a transparent system of rewards and recognition. It is recognized that the proposed performance appraisal system is to be implemented without an equivalent support system. The Secretary-General is, therefore, implementing concurrently the system of accountability and responsibility and is committed to a fundamental change in the way the Organization values and recognizes performance.

(b) The report of JIU raises a crucial issue of "top management" commitment and support. There is no doubt that, without such commitment and support, there will be no possibility of implementing the performance appraisal

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system. The implementation strategy will incorporate ways to ensure highly visible and continuous support from senior management.

(c) The report of the Secretary-General on accountability and responsibility (A/C.5/49/1) addresses the issue of the establishment of a mechanism to ensure accountability for the effective management of the personnel and financial resources allocated to them. Through the ongoing comprehensive management development programme and the specific training activities relating to the performance appraisal system, intensive efforts are being made to train managers, supervisors and staff in articulating objectives, formulating performance indicators and work plans.

Recommendation 3

5. (a) Through the ongoing pilot testing, it is already known that the task of establishing an integrated system linking mandates, objectives, strategies, work programmes and individual staff performance agreements and standards is one major challenge in implementing the new performance appraisal system. Never before has the Secretariat faced such a fundamental directional change, i.e., from a day-to-day work driven Organization without clear performance standards to an Organization with clear objectives, defined accountability and performance agreements. Commitment by senior management to articulate a mission statement is an essential basis for the implementation of the performance appraisal system.

(b) No matter how the performance appraisal system is perfected, the system is useless if its users do not handle it with proper understanding and care. One important task to be performed by a monitoring mechanism is to oversee whether or not the system is discriminating between different levels of performance of staff and recognizing high performers. It is also intended to make the system a truly integral part of human resources management, and it should be used as a crucial basis for administrative decisions, including decisions on contract (especially extension, five-year review and conversion), placement, promotion and all matters relating to career development.

(c) The Secretary-General agrees with this recommendation and notes that in his report entitled "A strategy for the management of the human resources of the Organization" (A/C.5/49/5), supplementary resources have been proposed for the implementation of the new performance appraisal system.

Recommendation 4

6. The Secretary-General also concurs with recommendation 4 as it relates to the need for strengthening training for the new performance appraisal system, and to making 1995 a transitional year for the new system. The Secretary-General believes, however, that the proposal to divert salary increments to finance training would have a detrimental impact on staff morale and productivity.
